

Audio Transcript Episode 5

Astrid Ayel: Hello, and welcome to our AI for services podcast interviews, my name is Astrid Ayel and I run the AI for services Innovation Network.

AI for services brings together AI and Data high growth entrepreneurs with leading professionals and academics working in the accountancy, insurance, legal and financial services sectors. This initiative is part of the Next Generation Services Challenge programme funded by UKRI and delivered by KTN. With this podcast we want to share with our community the latest projects shaping the future of the professional services sectors,

Today, I have the great pleasure to welcome Professor Tim Vorley.

Tim Vorley: Hi Astrid and thanks for having me.

Astrid Ayel: Would you mind introducing yourself to our listeners?

Tim Vorley: I am Pro Vice Chancellor and Dean of Oxford Brookes University and a professor of Industry, Enterprise and Innovation. I am one of the three leads of the research projects under the Next Generation Services Industrial Strategy Challenge fund banner.

Astrid Ayel: You are leading one of the academic projects funded by the Next Generation Services Programme titled innovating next generation services through collaborative design. In particular, you have been working with mid sized accountancy and legal firms. Could you tell us a bit more about the project?

Tim Vorley: The project that I have been leading focuses on AI readiness in legal and accountancy firms. We have been trying to understand the challenges that many of these mid-sized firms face in the law and accountancy sectors. Mid-sized firms are particularly interesting because they're often too small compared to the big four and the magic circle firms in terms of investing in AI, in a way that is going to be highly transformative, but they are too big to ignore as well; they are too significant in terms of their number and scale of the sector. By focusing on trying to address the needs of these mid-sized firms, we have looked at ways in which they can approach the AI readiness challenge. Not just from a technical perspective but what it means to them as organizations; thinking about their people, their structures, and their processes.

We have tried to do that by using a process of collaborative design. The project team first focused on the research side looking at firms that have successfully implemented AI into their working practices. Using those insights, along with some more established design thinking methodology, we tried to develop an approach to support mid-tier firms with the adoption process; thinking about how they can make the most of it. The nature of design thinking is about the problem at the center that they are trying to address; thinking about whether it relates to a particular part of their business or a particular opportunity. The project team has then tried to work with firms to think about how they can get good outcomes related to AI in the future competitiveness of their businesses.

Astrid Ayel: And then, of course, one of the outcomes of the project has been the publication of a book called AI readiness Toolkit. You describe it on your website as a series of key non-academic applied outputs of the project aimed at professional services firms. Tell us why a professional should download a copy of your book.

Tim Vorley: The book is absolutely free to download from the website in a PDF version with all of the tools included. It's an introduction to trying to understand the challenges of what it

means to be AI ready. We have heard lots of stories through the research and our understanding is that AI promises a lot, but does it really deliver?

In order to overcome that, it really is about trying to break that down into pieces that make sense for businesses. Looking at how AI can be applied, that application is often in relation to very specific or very narrow challenges. We can think about it in relation to smart contracts or aspects of audit. But we need to be able to understand what the problem or the challenges are to which AI is being applied to. And then we need to make sure that we have the data to be able to utilise AI and the technologies underlying that AI to its full effect.

The book talks through a series of methodologies and a process that firms can employ. All of the tools within the book are available on the website to download so people can continue to use that independently. As we are funded under the Industrial Strategy, we have got the support of Innovate UK and KTN to support businesses in embarking on some of these. We are offering design sprints as well and scenarios workshops to work with them and help them through that process. It is free to use as it is funded through the project. We would love to hear from any businesses that would like to get involved.

Astrid Ayel: I can really recommend your book; it's not a paid AD!...It really is very practical and can help any professional services firms at any stage of their journey. Whether at the start at the exploration stage or maybe at a more advanced stage where the firm is looking at developing their AI capability. It is a great tool available to download on your website: nextgenpsf.co.uk.

Tim Vorley: There is a series of 11 steps that we take you through, wherever you are on that journey. It's not for people that are necessarily at ground zero, it could be that there is some thinking that's been done within the firm already. It is to try and provide a scaffold with a bit of shape with regards to the next steps; going through that process, understanding what a good outcome looks like. One of the reasons we have embarked on this and produced this particular book, is because many people, when they think of AI, they think about taking jobs and about it fundamentally affecting work. Through our research and through the companies that we've supported, we can certainly see examples of where it's being used effectively, where AI can actually enhance the work of professionals. Therefore we need to understand how AI fits, how it can enhance and augment, and how it can create additional value for professional services firms. Hopefully, by the time businesses have looked into the steps and gone on that journey, the outcome at the end, is not just about being more competitive and more productive, it's about having a business model that is future ready.

Astrid Ayel: Exactly! I should also mention that we will be hosting a design thinking forum on the 16th of September 10 to 12 UK time where Tim and his team will share more details on the benefits of using design thinking methods to help unlock business model innovation. We will also have two sets of panels: firms on one side and start startups on the other. So it should be a very informative and inspiring session. Do sign up, or, if you are listening to this after the 16th of September, the recording will also be available on our web page aiforservices.org. Right so that's all for the ad! I now just wanted to take us back to the beginnings, when you wrote the bid to apply for funding; What motivated you to embark on this project?

Tim Vorley: The first was its interdisciplinary nature. I don't think there is any organization or entity that has the answer to what AI readiness looks like; how it should be approached and how businesses should embark on that journey. As researchers, we were intrigued and wanted to find out more about what that means and how organizations go through that digital transformation; how mid-tier businesses - an important subset of the legal and accounting sector - can be supported. And so there's definitely inquisitiveness in the research that

underlies what we do. Our interdisciplinary team includes colleagues who are, like myself, involved with business model research. Others are working on supply chains, some are subject specialists on law and accounting and we also had a partner at the University of the Arts London expert in Design thinking and futures.

Based on the research insights that we generated, the real challenge for us, and the real crux of the project, has been focusing on trying to create, from the research insights, a tool and a series of methodologies that can help firms.

As part of the Industrial Strategy Challenge fund and the Next Generation Services work Programme, we are really trying to see how we can help businesses help themselves on that journey. One of the main points of paralysis that often challenges businesses when they are thinking about AI, is the unknown. There is an element here of trying to demystify; to support businesses as they embark on this journey. AI is becoming more and more commonplace in our lives, not necessarily as visible as you might anticipate, in the amount, for example, of technology that is being used around mobile devices. When we think about professional work, there are opportunities to take away some of those more mundane time consuming repetitive tasks and introduce a greater degree of intelligence through available AI to move us beyond simple automation and really increase value. The key for me here is not about trying to use these technologies to displace activities done by individuals but actually seeing how individuals and technologies come together to deliver higher quality, higher caliber, higher value outcomes.

Astrid Ayel: Was it the first time that you were working with the professional services sector? What has been your experience? Any particular frustration or positive surprise, or both?

Tim Vorley: Folks in the team had a variety of experiences; some colleagues had not previously worked with the professional services and others had much more experience. We worked with the Managing Partners Forum and Norman Partners, who were professional collaborators on the project. Very quickly, we established a rapport with the firms and delivered these design sprints.

One of the big challenges was trying to understand where firms were on that journey and where they wanted to get to. It is not a linear process where we all step on at the same point and step off at the same point.

Generally, another challenge in the professions is their often risk averse nature. Given their professional status, we can very much understand why professional service firms are like that. But through the nature of the project, we have seen that began to change. We are seeing firms beginning to try and challenge; explore by creating a safe space. That's one of the great things about the project and the funding, it's about trying to de-risk this for businesses, getting them to explore the art of the possible.

There is something satisfying in having a room full of highly paid professionals thinking about how they can do their day jobs differently, using Lego and a variety of different models and techniques to be creative and bring something into their world of work, which is developmental. I have benefited through the project, the firm's that we've collaborated with have benefited, but also the individuals. There is a good opportunity for that kind of creative professional development.

Astrid Ayel: At KTN we are huge advocates of academic - business collaborations and help facilitate those connections between academia and business. We witness the positive impact that this type of partnership can make. As someone with experience of driving those

types of collaboration first hand when would you say collaboration between academic and business work at its best?

Tim Vorley: The first thing is trying to find that common language. In order to work at our best, we need to try and understand what academia has to offer, but also what the business needs are. Professionals are often under high time pressures, working with clients that are very live in terms of the case work. So we absolutely have to add value. Being able to try and understand what that problem is and co-create the challenge. Academics are not consultants providing a solution to a very specific issue. It's about trying to bring different perspectives and doing things that are perhaps uncomfortable. It is dwelling in those uncertainties; thinking about the fact that this isn't something where there's an immediate answer. No firms are doing this perfectly. By working with academics, it allows you to explore what could be done, the art of the possible in relation to what works for your firm. We are not in the business of trying to apply a one size fits all model. It's about trying to understand the businesses that we work with using our research expertise and insight and trying to help businesses. In achieving solutions that work for them and recognizing that those solutions can be very different business to business, there's often very different aspirations from highly complex technological solutions to more simplistic applications of digital. I think all of those add value to the businesses that we've come to work with.

Astrid Ayel: Your interdisciplinary approach is also something that businesses wouldn't experience day to day, or working with a consultancy, and that is very valuable. You also bring through your design sprints and scenario planning sessions, the practical approach that businesses seek. Sometimes businesses can be apprehensive about working with academics and research. Maybe one of the misconceptions is that it is all very theoretical. However, with the example of your project, you've taken your own research and theory into practice, which I think is very valuable for professional services firms.

I would love to carry on the conversation, but time is up I am afraid. Thank you very much for your time and sharing your experience. It's been a real pleasure.

Tim Vorley: Thank you for having me. And to your listeners: please reach out to us and look on the project website nextgenpsf.co.uk. We would love to get you involved.

Astrid Ayel: I just have one last question for you that I ask every guest. At KTN our purpose is to create diverse connections to drive positive change, so I wanted to ask you: who is the one person that you would love to meet and why.

Tim Vorley: Wow! That's a huge question. I would have loved to have met Steve Jobs. I love the idea of bringing design together with creativity, but with that highly focused customer cue. Trying to ensure that we're meeting a need and we're doing it in a designed way. It is certainly one of the heroes that I wish I could have met. Steve Jobs.

Astrid Ayel: Thank you so much again and to our listeners check our web page aiforservices.org. Share this recording with your colleagues and friends and see you next time!